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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/706,678	11/06/2000	Webster Hughes	4530-1	8283

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EXAMINER

PATEL, JAGDISH

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 04/13/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/706,678

Applicant(s)

HUGHES, WEBSTER

Examiner

JAGDISH PATEL

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 January 2006.
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 18-25,29-33 and 46-48 is/are pending in the application.
4a) Of the above claim(s) 1-17,26-28 and 34-45 is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 18,25,29-33 and 46-48 is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

1. This communication is in response to amendment filed 1/26/06.

Response to Amendment

2. Claims 18 has been amended and new claims 47 and 48 has been added. Claims 18-25,29-33 and 46-48 are currently pending.

Response to Arguments

3. Applicant's arguments with respect to claims have been considered. This office action is issued as a new Non-final action.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

5. Claim 25 is are rejected under 35 U.S.C. §101 because the claimed invention is directed to a non statutory subject matter.

35 U.S.C. §101 requires that in order to be patentable the invention must be a “new and useful process, machine, manufacture or composition of matter or new and useful improvement thereof” (emphasis added). Applicant’s claim mentioned above is intended to embrace or overlap two different statutory classes of invention as set forth in 35 U.S.C. §101. The claim begins by discussing a method (the method of claim 18,..), the body of the claim discusses the specifics of

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the system (the computerized system) and method steps (step of allowing..). (see rejection of claims under 35 U.S.C. §112, second paragraph, for specific details regarding this issue). “a claim of this type is precluded by express language of 35 U.S.C. §101 which is drafted so as to set forth statutory the statutory classes of invention in the alternative only”, Ex parte Lyell (17USPQ2d 1548).

Claim Rejections - 35 USC § 112

6. Claims 20-23, 29-32 and 46 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

7. Claim 20 recites limitations “the transaction” which lacks positive antecedent basis in the claim.

Claim 21: recites “allowing the first ordering party to select whether the first order is live, executable order or a subject order”. Since, the term “allowing” does not positively recite the underlying process, the claimed invention is rendered indefinite in terms of its outcome. Furthermore, the process of the claims preceding this claim is completely independent of the type of order being selected by the first ordering party. In other words the process of claim 21 (which includes all processes of claims 18-20) are performed regardless of the order type of the first order. The claim is accordingly rendered indefinite and unclear.

Claims 21-23 depend upon claim 20 and therefore inherit same defect as claim 20.

8. Claims 25 and 29-31: recites limitation “step of allowing intermediate parties to ..”. This limitation lacks positive antecedent basis in the claim.

Claim 25 is not sufficiently precise due to the combining of two different statutory classes of invention in a single claim. The preamble the claim refers to a method, but the body of the claim discusses the specifics of the system (computerized system comprises a system for trading..) and subsequently the claim then deals with the specifics of a method step (step of allowing)..

Claim 32 recites limitation “The method of claim 18 “wherein identifying the chain of parties..””, however, there is no antecedent basis for this limitation in claim 18 which recites “identifying the chain of transactions”. Claim also recites limitation of tracking “path of parties” which is vague and unclear. Claim 33 is rejected based upon similar reasoning.

Claim 46: “the first, second and intermediate orders have parameters set by the parties” is vague and unclear because the term parties are not defined clearly. The claim is also indefinite because it recites “..the intermediate parties in the chain cannot be prevented by parameters set...” without specifying what action cannot be prevented by the parameters.

Claim Rejections - 35 USC § 102

9. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

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10. Claims 18-24 and 47-48 are rejected under 35 U.S.C. 102(e) as being anticipated by Rackson, US PGPub 2002/0165817 (Priority dated Sept. 3, 1999) (hereafter Rackson).

Claim 18: Rackson teaches a method comprising :

receiving a first order from a first ordering party, the first order including at least one bid or offer to permit execution of a chain of transactions in a computerized system,

(p. 11, [102] and [103] a seller lists (i.e. offer) an item for sale, the item quantity (say 100) and the starting bid (say \$10))

receiving one or more intermediate orders, including at least one offer or bids from at least one of a plurality of intermediate parties using the computerized system, at least one of the intermediate orders being placed by the at least one intermediate party in response to the first order;

(p. 11, [103] bidder A submits a bid for quantity 40 at price 99, the bid is submitted in response to the seller listing the item for auction)

receiving a second order including at least one offer or bid from a second ordering party using the computerized systems the second order being placed by the second ordering party in response to one or more of the intermediate orders; and

(p. 11, [103] bidder B submits a bid for quantity 30 at price 85)

identifying the chain of transactions to be executed among the first ordering party, at least one intermediate party, and the second ordering party using the first order at least one received intermediate orders and the second order.

(the chain of transactions have been identified in Figure 7 as “independent auction results”. Here Bidders A, B and C each receives respectively 40, 30 and 30 items each @ \$80)

Regarding claims 19 and 20: Rackson discloses the determining whether a match occurs between one of intermediate orders and at least one of the first and second orders and subsequently executing the transaction.. (see Figure 7 and underlying process).

Claim 21: allowing the first ordering party to select whether the order is a live, executable order or a subject order (see para [0063]).

Claim 22: allowing the intermediate parties to communicate intermediate orders (see para [0049]).

Claim 23: executing the transaction by automatically executing the live orders in the chain that are matched (see auction results Figure 7).

Claim 24: order communicated by the first party is an order subject to satisfaction of a condition (see [080], “conditional parameters”).

Claims 48 and 49: at least one intermediate orders participating in the chain of transactions are placed by.. at least one further intermediate party..others of the intermediate parties (see Figure 7, Bidders A,B, C, J.. Note that the intermediate parties can be any number of bidders, “further intermediate party” is the bidder not identified in claim 1).

Claim Rejections - 35 USC § 103

12. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject

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matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

13. Claim 25 is rejected under 35 U.S.C. 103(a) as being unpatentable over Rackson, US PGPub 2002/0165817 (Priority dated Sept. 3, 1999).

Rackson, fails to teach that the computerized system comprises a system for trading financial instruments.

The examiner points out that limitation recites the aforementioned limitation only in terms of intended use or field of use.

This intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim. In a claim drawn to a process of making, the intended use must result in a manipulative difference as compared to the prior art. See *In re Casey*, 370 F.2d 576, 152 USPQ 235 (CCPA 1967) and *In re Otto*, 312 F.2d 937, 939, 136 USPQ 458, 459 (CCPA 1963).

In the instant claim the process steps of identifying a chain of transactions among the first party, at least one intermediate party and the second party of the independent claims are also applicable to trading of financial instruments (Dutch auction of Figures, 7-9 and systems of Figure 2).


Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (571) 272-6748. The examiner can normally be reached on 800AM-600PM M-Th.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (571) 272-6747. The fax phone number for the organization where this application or proceeding is assigned is 517-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

4/11/06